



Livestock and Seed Program Audit, Review, and Compliance Branch Quality System Audit Report

Applicant: Canadian Organic Certification Co-Operative Ltd. (COCC)
Program : National Organic Program – On-site Accreditation Audit
Location(s): COCC Office – Swift Current, SK Canada; Nodge Farm – Stewart Valley SK Canada
Audit Date(s): August 17-19, 2004
Audit File Number: NP4230GA
Action Required: Yes
Auditor(s): Vickie Robertson – Team Leader, Lauren Kavanaugh – Auditor
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AUDIT ACTIVITIES

On August 17-19, 2004, representatives of the USDA, AMS, LS, Audit, Review, and Compliance (ARC) Branch conducted an on-site accreditation audit of the Canadian Organic Certification Co-Operative Ltd. (COCC) Organic Certification Program, Swift Current SK, Canada. The purpose of the audit was to assess COCC's compliance to the USDA, AMS 7 CFR Part 205, National Organic Program (NOP). The audit also included observations and interviews of COCC's certification and inspection activities at Nodge Farm, Stewart Valley, SK, Canada. This was an annual NOP organic inspection conducted by Inspector Pricilla Reimer, an independent contracted inspector. The farm had approximately 1000 acres in organic crop production consisting of alfalfa, lentils wheat, flax, rye, mustard and oats. Corrective actions for non-compliances identified during the 2003 annual update desk audit conducted November 7, 2003 - February 12, 2004 (NP3311GA) were submitted by COCC April 16, 2004 and received by the ARC Branch Auditor on April 21, 2004. The corrective action for the outstanding non-compliance was reviewed and found to be inadequate. The on-site review found further evidence that elevated the continuous improvement point to a major non-compliance.

COCC is a membership based, for profit co-operative, incorporated in 1992 that was accredited as a certifying agent by the USDA for crop, livestock, and handling operations on April 29, 2002. COCC currently has approximately 100 clients certified to the NOP with approximately ninety percent listed as crop operations, primarily cereal grains. COCC organic program procedures, policies and records were reviewed during the audit with Executive Director Ken Hymers and Certification Coordinator Anne Ford. The audit documentation is on record and available for review (**NP4230GGA Audit Documentation**).

FINDINGS

The audit confirmed that COCC was operating under the guidelines of the NOP except as noted in the findings below. Three Major non-compliances and five Minor non-compliances were identified during the audit. The outstanding non-compliance from the 2003 annual update was upgraded to a Major non-compliance.

Outstanding non-compliance:

NP3311GA.NC2 – CIP – Upgraded to a Major Non-compliance – 205.510(a)(4) – Requires the applicant to provide the results of the most recent performance evaluations. *While a generalized report of the results of the annual performance evaluations was provided, individual annual performance*

evaluations were not submitted for review. Reason for upgrade: 205.501(a) (6) Requires the certifying agent to “conduct annual performance evaluations of all persons who review applications for certification, perform on-site inspections, review certification documents.....” In addition COCC does not follow the requirements of its performance evaluation procedure, CCB_EP-07015. A review of the personnel files revealed that performance evaluations have not been performed as required. Only two evaluations have been performed this year, and they have not been performed according to the criteria set forth in COCC’s performance evaluation procedure, CCB_EP-07015. The COCC annual internal program review performed on January 19 – 20, 2004 noted “A detailed review of the {performance evaluations} procedures provided evidence that congruency with actual practice needs to be addressed. Also the reference action items in the {Annual Update} report require further implementation and should be tracked.” To date an action plan for corrective and preventative actions has not been completed by COCC.

New Non-compliances:

NP4230GGA.NC1 – Major – 205.405(a) – States, “When a certifying agent has reason to believe, based on a review of the information specified in §205.402 or §205.404, that an applicant for certification is not able to comply or is not in compliance with the requirements of this part, the certifying agent must provide a written notification of non-compliance to the applicant.” *A review of the Les Truffes file indicated the use of chocolate that was not certified to the NOP standards in the processing of products for which certification was requested. The inspector did not identify the non-compliance; however, one of the two reviewers did identify it. The final review identified it as a minor non-compliance, asking that the EU certification be justified to the NOP Standards in the future. NOP certification was granted because the company did not intend to export product to the United States. In two other cases clients were not issued non-compliances when the inspector determined that they were not ready for the inspection, i.e. the records were not available or not kept in a way to be available to perform the inspection at the scheduled time. (See 205.400(d)). Due to the age of the applicants and their status as organic growers in the community, the inspections were re-scheduled and no non-compliances were issued. An over-all client file review indicated discrepancies in the certification process from the initial application review, to the inspection report, to the final decision for certification. COCC has not issued any notification of non-compliance, or refused certification to any client since being accredited by NOP.*

NP4230GGA.NC2 – Major – 205.501(a) (4) – Requires a certifying agent to “use a sufficient number of adequately trained personnel to comply with and implement the organic certification program.....” *Interviews conducted and records reviewed indicated only two inspectors performed the on-site inspections in 2004 for approximately 100 clients. All on-site inspections are conducted within an approximate 45 day span due to the short growing season. Inspection reports have not been received from one inspector for any on-site inspections performed this year. The reports from this inspector will not be written and submitted until all inspections for the season have been completed. It will then take approximately 30 additional days to complete the reports once all of the inspections are completed. The Executive Director is solely responsible for the final review for certification decisions for all files and has limited office time. The limited personnel create an unreasonable time frame for NOP certification as indicated by the file reviews from the on-site inspection to the final certification decision (see 205.404(a)).*

NP4230GGA.NC3 – Major – 205.501(a)(11)(i) – requires a certifying agent to not certify a production or handling operation if the certifying agent or a responsibly connected party of such certifying agent has or has held a commercial interest in the production or handling operation. *The COCC nine member board of directors all operate organic operations certified by COCC. The Board of Directors is responsible for*

the financial obligations of COCC, and makes personnel decisions concerning the Executive Director and Certification Coordinator.

NP4230GGA.NC4 – Minor – 205.402(a) (1) – States, “Upon acceptance of an application for certification, a certifying agent must: (1) Review the application to ensure completeness pursuant to 205.401.” **205.501(11) (vi)** Requires the certification agent to prevent conflicts of interest by ensuring “that the decision to certify an operation is made by a person different from those who conduct the review of documents and on-site inspection.” *Documentation was not available to verify an initial review is completed or who performed it. The COCC internal audit performed in January 2004 stated that Ken Hymers was performing both the initial document review and making the final certifying decision. Interviews indicate that Anne Ford has performed the initial document review for the past 12 months. Documentation of the initial review is necessary to confirm separation of initial review and final decision. The client file review indicated that the files are incomplete. Farm Organic System Plans do not include field history reports in all files and many questions are left unanswered that are applicable to the operation, indicating that an adequate initial review was not performed.*

NP4230GGA.NC5 – Minor – COCC Procedure CCB_EP-07127 Section 3.2(3) Required COCC to conduct one full two-day NOP training workshop in August of 2002 and also requires the inspectors to complete accreditation self study or an update every other year. *The August 2002 training was not conducted. The bi-annual update training in 2004 did not include all personnel involved in the certification process, specifically the reviewers and all listed potential inspectors.*

NP4230GGA.NC6 – Minor – 205.505(a)(4) – Requires a certification agent to have an “internal program review..... and implement measures to correct any non-compliances with the Act and the regulation in this part.” The COCC annual Internal Program Review performed on January 19-20, 2004 noted several findings requiring actions. *COCC has not addressed nor implemented corrective actions for the majority of the findings noted in the internal program review, i.e. purging the quality manual of non-NOP requirements and conducting annual performance evaluations.*

NP4230GGA.NC7 – Minor – 205.403(c) (1, 2, 3) – Specifies the requirements for verification of information during the on-site inspection. *A review of 7 of 50 available files revealed that the inspectors did not verify all aspects of the organic system plans, and/or required documentation, and/or records necessary to verify compliance with the NOP regulation and standards.*

NP4230GGA.NC8 – Minor – 205.501(a)(9) - requires a certifying agent to “maintain all records pursuant to §205.510(b) and make all such records available for inspection and copying during normal business hours by authorized representatives of the Secretary.” *COCC provides all client files in their entirety to the inspectors at the beginning of the growing season; therefore, approximately 50% of the files were not available for review during the audit.*

RECOMMENDATIONS

Based on the audit findings the audit team recommends the continuation of Canadian Organic Certification Co-Operative as an accredited certifying agent with the condition of addressing the non-compliances listed in the findings section of this report as directed by the National Organic Program.